

House File 713 - Introduced

HOUSE FILE 713

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 234)

A BILL FOR

1 An Act relating to transactions involving used catalytic
2 converters, and providing fees.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.27A, subsection 1, paragraph a, Code
2 2023, is amended to read as follows:

3 a. "Business transaction" means an exchange of consideration
4 for a catalytic converter between a scrap metal dealer, as
5 defined in [section 714.27](#), and another scrap metal dealer,
6 an authorized vehicle recycler licensed under [chapter 321H](#)
7 operating a business at a fixed location, a motor vehicle
8 dealer licensed under [chapter 322](#) operating a business at a
9 fixed location, a towable recreational vehicle dealer licensed
10 under [chapter 322C](#) operating a business at a fixed location, a
11 mechanic or an automotive repair facility operating a business
12 at a fixed location, ~~or~~ a person operating a similar business
13 at a fixed location in another state, or a person registered
14 as an authorized seller or authorized purchaser with the
15 department of revenue.

16 Sec. 2. Section 714.27A, subsection 2, paragraphs b and c,
17 Code 2023, are amended to read as follows:

18 b. For a business transaction in which the person selling
19 the catalytic converter operates a business at a fixed location
20 in this state, the person shall provide to the purchaser a
21 copy of the person's valid sales tax permit issued pursuant to
22 [chapter 423](#), a copy of the person's valid business license or
23 permit, or a copy of the person's certificate of registration
24 as an authorized seller. For a business transaction in which
25 the person selling the catalytic converter operates a business
26 at a fixed location in another state and is authorized to
27 conduct a business transaction in this state, the person shall
28 provide to the purchaser a copy of the person's valid sales tax
29 permit issued pursuant to [chapter 423](#), if the person has such
30 a permit, or a copy of the person's valid business license or
31 permit from the other state. If a person is unable to provide
32 the documentation required in this paragraph, the person shall
33 instead comply with paragraph "c".

34 c. For transactions other than business transactions, the
35 person selling the catalytic converter shall provide to the

1 purchaser an original receipt or invoice for a replacement
2 catalytic converter purchased fewer than thirty days before
3 the person sells the replaced catalytic converter, a signed
4 affidavit attesting to the seller's valid ownership of the
5 catalytic converter, or a junking certificate for a vehicle
6 that was issued fewer than thirty days before the person sells
7 the catalytic converter.

8 (1) The receipt, invoice, affidavit, or junking certificate
9 presented by the person to the purchaser must be unmarked by a
10 purchaser pursuant to [subsection 3](#).

11 (2) This paragraph does not apply to a transaction if the
12 person presents proof, unmarked pursuant to [subsection 3](#), to
13 the purchaser that the sale is approved by the sheriff of the
14 county in which the vehicle from which the catalytic converter
15 was removed is registered.

16 Sec. 3. Section 714.27A, subsection 3, paragraph b, Code
17 2023, is amended to read as follows:

18 *b.* A person who purchases a catalytic converter shall mark
19 the receipt, invoice, affidavit, junking certificate, or proof
20 of sheriff approval presented under [subsection 2](#) to indicate
21 the catalytic converter has been sold. The person shall take a
22 photograph of the catalytic converter that clearly identifies
23 the item as a catalytic converter.

24 Sec. 4. Section 714.27A, Code 2023, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 4A. *a.* A person may register as an
27 authorized seller or as an authorized purchaser with the
28 department of revenue. The fee for an authorized seller or
29 authorized purchaser registration is one hundred dollars
30 and such authorization is valid for one year. A person who
31 conducts a business transaction on behalf of another person
32 shall be considered an authorized seller or authorized
33 purchaser if the other person on whose behalf the person
34 is conducting the transaction is an authorized seller or
35 authorized purchaser, respectively.

1 authorized to provide a copy of the person's valid business
2 license or permit from the other state under current law.

3 The bill adds persons registered as an authorized seller or
4 authorized purchaser to the list of persons eligible to conduct
5 a business transaction involving a used catalytic converter.
6 A person may become an authorized seller or purchaser by
7 registering as such with the department of revenue (DOR). The
8 registration fee is \$100 and the authorization is valid for
9 one year. The fee must be deposited in the general fund of
10 the state. A person who conducts a business transaction on
11 behalf of another person is considered an authorized seller or
12 purchaser if the other person on whose behalf the person is
13 conducting a transaction is an authorized seller or purchaser.
14 DOR is required to adopt administrative rules including but not
15 limited to rules requiring a person applying for registration
16 as an authorized seller or purchaser to provide the person's
17 residential address or business address at a fixed location and
18 rules providing for issuance of a certificate of registration
19 as an authorized seller or purchaser.

20 For transactions other than business transactions under
21 current law, the person selling the used catalytic converter
22 is required to provide to the purchaser an original receipt or
23 invoice for a replacement catalytic converter purchased fewer
24 than 30 days before the person sells the replaced catalytic
25 converter, or a junking certificate for a vehicle that was
26 issued fewer than 30 days before the person sells the catalytic
27 converter. The bill authorizes a seller to provide a signed
28 affidavit attesting to the seller's valid ownership of the
29 catalytic converter instead of the original receipt, invoice,
30 or junking certificate. The bill requires a purchaser to mark
31 an affidavit in the same manner the purchaser must mark other
32 acceptable forms of proof of ownership under Code section
33 714.27A.

34 Under current law, a person, including a person who
35 conducts a business transaction on behalf of another person,

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1 who violates Code section 714.27A is subject to a civil
2 penalty ranging from \$1,000 to \$10,000 based on the number
3 of violations that occur within a two-year period. Proof
4 that a person, including a person who conducted a business
5 transaction on behalf of another person, violated Code section
6 714.27A(2) or 714.27A(3) is evidence from which the court or
7 jury may infer culpability relating to the theft of a catalytic
8 converter. The bill requires that a person must intentionally
9 violate Code section 714.27A to be subject to the corresponding
10 civil or criminal penalty, as applicable.